



Priority Based Budgeting

Presentation to State Controller's Annual Conference with County Auditors

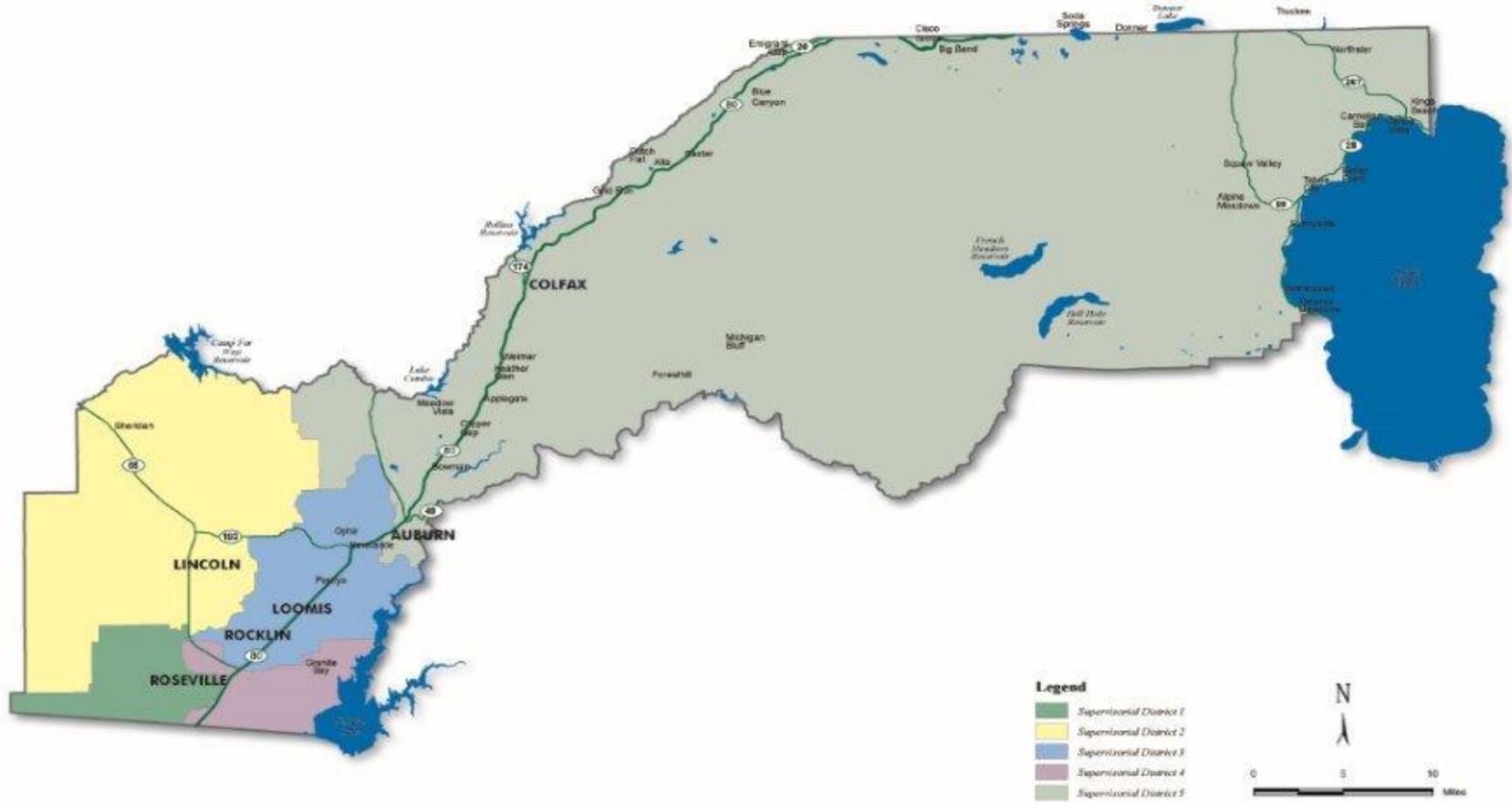
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October 21, 2015



Priority Based Budgeting

Placer County is currently on a multi-year journey to implement ***“Priority Based Budgeting”*** as an approach to strategically and transparently align the distribution of County resources to prioritized programs and services by:

- **Building upon experiences and successes of others; and**
- **Taking the time to develop a value-added program to better inform the Countywide budget development process – *“Get it Right”*.**



Presentation Outline

- **Priority Based Budgeting – What is it and why do it?**
- **Placer County’s implementation of Priority Based Budgeting – what has been done so far?**
- **What remains to be completed? What are next steps?**

Priority Based Budgeting

What is Priority Based Budgeting?

Priority Based Budgeting is a way for local governments to spend within their means while continuously focusing on results most relevant to their communities and the programs that influence those results to the highest degree possible.



Priority Based Budgeting

Why consider Priority Based Budgeting?

- Alternative method of allocating scarce resources
- Common sense strategic alternative to incremental budgeting
- Resource allocations based on services and programs versus departments
- Transparently communicates to public what service and programs cost
- Alignment of funding and resources requirements to deliver programs and services with strategic priorities and value to the community – “Compelling Public Value”



Priority Based Budgeting

Placer County's Approach – What have we done so far?

Transparent communication of fiscal information to users and decision-makers

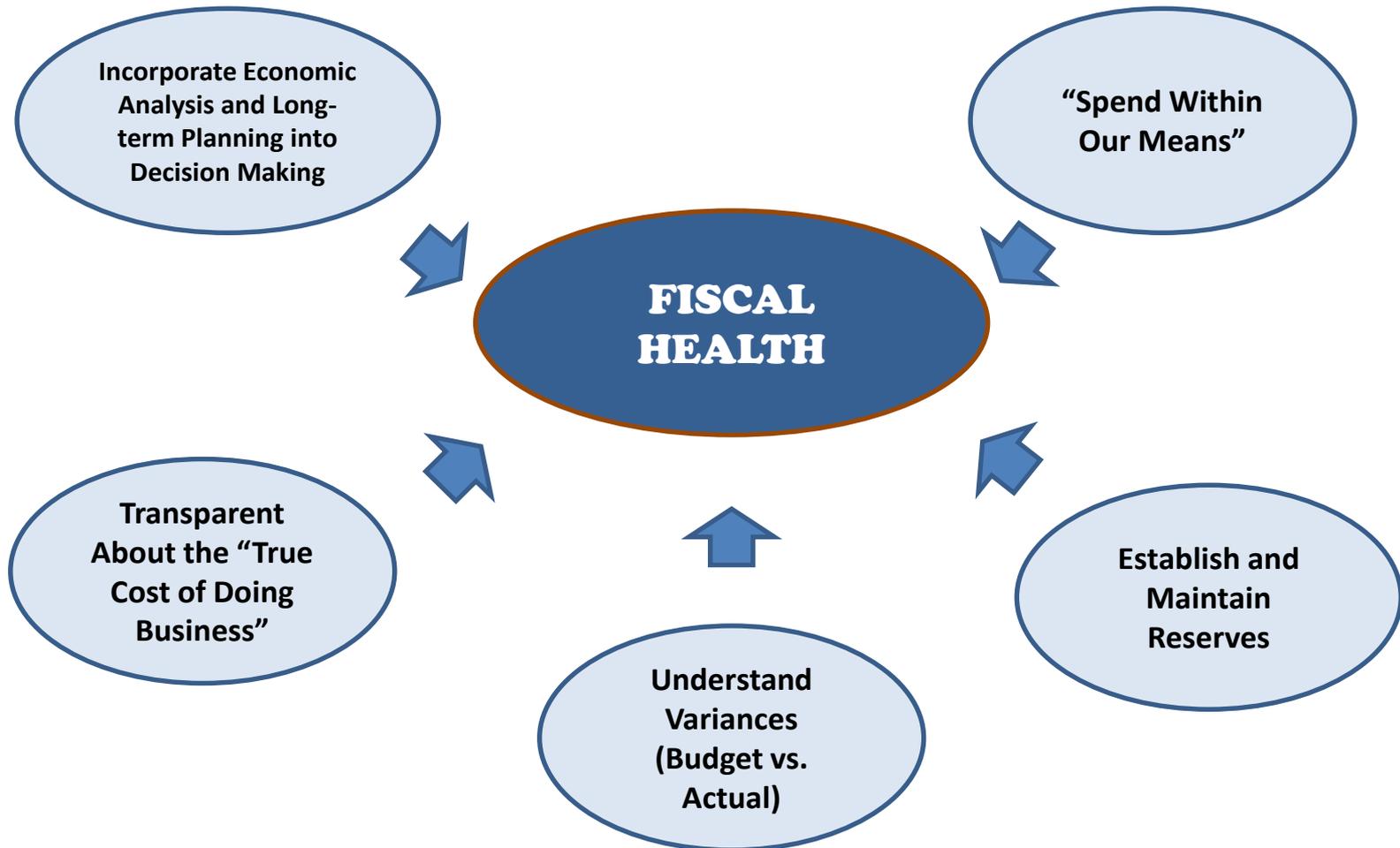
- Communication via budget document(s)
- Communication via Multi-Year Capital Plan
- Periodic update of organizational fiscal health



Priority Based Budgeting

Transparent Communication of Fiscal Health

RESOURCE MANAGEMENT AND OPTIMIZATION



Priority Based Budgeting

Placer County's Approach – What have we done so far?

Establishment of a “Coordinating Council” to guide implementation effort

- Representation on Council each from each “system” / area of government
- Chartered to work with County Executive Office to provide leadership and visioning to implement Priority Based Budgeting

Development of a Programs and Services Inventory

- Each department develops inventory of ongoing programs and services provided – *“what do we do?”*
- Transparent communication of programs to public through budget document
- Facilitates transition to looking at budget based on what we do versus budget that is department-focused



Priority Based Budgeting

Placer County's Approach – What have we done so far?

Alignment of Costs into Programs

- Review any existing cost accounting framework currently used
- Requires high level of collaboration between departments, County Executive Office and County Auditor-Controller's Office
- Align / assign staff and related costs into programs
- Determine "mandated" level of service, if any
- Determine non-discretionary revenue sources specific to program



Priority Based Budgeting

| Department | Service System | Program Listing | Expenditures | Revenues | Net Cost | Program Description |
|------------|--|-----------------|--------------|--------------|--------------|--|
| ASSESSOR | ADMINISTRATION and FINANCIAL SYSTEM | Appraisal | \$ 9,724,992 | \$ 2,206,060 | \$ 7,518,932 | Appraise single and multi-family residential, rural, and commercial/industrial real property in Placer County for the purposes of property tax assessment. Appraise all taxable business personal property located within the county including machinery, equipment, fixtures, boats and aircraft. Perform mandatory audits of business property accounts within the county. Prepare and present Assessment Appeal Board cases. |
| | | Assessment | 2,664,381 | 604,400 | 2,059,981 | Review legal documents transferring property ownership and building permits issued throughout the county to determine whether a Proposition 13 re-appraisable event has occurred. Apply all legal property tax exemptions and exclusions, reducing the tax liability on every property that qualifies. Develop and maintain the supplemental and annual assessment rolls. |
| | | Mapping and GIS | 932,536 | 211,540 | 720,996 | Establish and maintain a set of maps for every parcel of property in the County for assessment purposes. These parcel maps serve as the basis for the assessment of all real property in Placer County and are continuously updated to reflect new subdivisions and surveys. Parcel maps show the assessor's parcel numbers, recorded dimensions, acreage, street widths, parcel and lot boundaries, adjoining parcels and recorded map information. Maintain Placer County's GIS base map, ensuring that new parcels are added countywide and made available to the public. |

Priority Based Budgeting

Placer County's Approach – Next Steps...

- React and adjust to lessons learned
 - Systems limitations and restrictions – technology issues
 - Workload effort required to “Get it Right”

- Continue costing programs and services

- Refinement of “Goals” statements and underlying priorities and expectations (desired results)

- Develop and integrate expanded Community Outreach Plan
 - What results does community expect County to achieve?
 - Communicate alignment of programs and services to defined goals and desired results



Priority Based Budgeting

Placer County's Approach – Next Steps...

- Develop criteria to gauge programs effectiveness in meeting desired results
 - Demonstrate “*Compelling Public Value*”
 - Identify value of program based upon its influence on desired results

- Present all information – programs, costs, effectiveness in meeting desired results - to Board of Supervisors for consideration as part of annual budget process
 - Alternative way to consider distribution of scarce resources



Priority Based Budgeting

What Does County Expect to Achieve by Implementing Priority Based Budgeting? / Key Takeaways:

- Better communicate what County does consistent with desired results and expectations
- Increase level of transparency regarding how discretionary tax dollars are being utilized to provide prioritized programs and services
- Provide alternative approach to budget development by considering allocation of resources based on priorities and desired results

